

# **Presentation to US House of Representatives Committee on Agriculture**

## **Federal Farm Policy Review**

**In Nebraska City, Nebraska  
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Chairman Goodlatte, Members of US House of Representatives Committee on Agriculture, and Staff.

My name is James Vorderstrasse from rural Hebron, Nebraska. I operate what I would classify as a smaller medium sized dry-land farm in southern south-central Nebraska where I usually grow 550 acres of grain sorghum, 300 acres of wheat, 300 acres soybeans, 50 acres alfalfa, and 90 acres native grass hay. I also run a 70 head cow herd. I am past president of National Sorghum Producers, but am testifying to you here today as a farmer in Nebraska.

I would like to thank the Chairman and Committee for giving me the opportunity to express my thoughts on the 2002 farm bill and what I would like to see in the 2007 farm bill.

As a sorghum producer the 2002 farm bill is a good bill. It raised the loan rate for sorghum to a level almost equal to corn where it should be when considering our local average price for sorghum over the past 6 years has been equal to or above the price of corn. It also provided a safety net for farmers as it was intended to do when commodity prices fell as they did these last two years. I realize that the last two years it looks like the farm bill is costing more than anticipated, but you need to also factor in the early years of the bill when there were no LDP or counter-cyclical payments made. I know that without this safety net these last two years you would have seen a rash of us smaller farmers being forced in bankruptcy. Also with the increase in energy and fertilizer cost it becomes even more important to have a viable safety net.

I am very pleased with the passage of the Renewable Fuels Standard in the Energy Bill. This will create a greater demand for grain and decrease the reliance on imported energy. It will also improve the price farmers receive for grain which will in turn cut back on the amount of payments that may need to be paid to producers as LDP's, Marketing Loan Gains or Counter Cyclical payments.

I hear the administration proposing to cut farm subsidies by 60% in the WTO negotiations which would erode our safety net in a time when input costs are skyrocketing. During the two World Wars people in Europe went hungry, and since then those countries have vowed that that will never occur again and have been heavily subsidizing their farmers to make sure that does not happen. I feel this is why they are so strongly against cutting their farm subsidies in the WTO negotiations. Here in the US there has not been any time in history when there was not an abundant safe food supply for it's citizens, and we have lost sight of what it is like for a nation to go hungry. I feel this supply is due to the farm policy that has been implemented over the years to make sure farmers are able to stay in business. When you see that less than 1% of the total

budget is spent on farm subsidies, I feel that is a very minimal cost to ensure a cheap, abundant safe food supply so our nation will not endure the shortages as Europe did. Sure some people contend that we can import our food, but look at how vulnerable we are in the energy situation by importing a major portion of our oil. For National security we need to be able to produce an abundant supply of food for our nation.

I realize that there are a few problems with the farm bill being compliant with WTO. I also think that with a few little changes that the 2002 bill could be made to fit within the WTO parameters. Some of my thoughts weather doable or not are listed below.

1. Direct payments. The exclusion for planting fruits and vegetables needs to be rescinded so that these payments will remain in the Green box. I cannot see any large number of farmers switching their production over to fruits and vegetables to do any adverse harm to those present producers.
2. Work to change the WTO Agreement so that the counter-cyclical payments would fall into the Blue box category
3. Convert some of the LDP and Marketing Loan Payments into Direct type payments that would be in the Green box.
4. Convert more of the LDP and Marketing Loan Payments to a counter-cyclical type of payment that would fit in the new Blue box.
5. Many of the payments could be tied to conservation practices similar to those in the lower tiers of the CSP program. If this is one avenue of payments I feel great care needs to be made so as not to discriminate against the smaller farmer by requiring practices that are not feasible in a small operation as are some of the requirements for the upper tiers of the CSP program. Ex. A smaller farmer applies his own fertilizer as part of his operation and looks at that as part of his income potential since he is not paying someone to do it. If he is required to grid apply his fertilizer to get a payment, the size of his operation dictates that he cannot justify the cost of the equipment to apply fertilizer in that manner and is then not eligible. It needs to be something easily achieved by all size farmers with little or no additional outlay of money. In these conservation practices there could be a variety of things:
  - a. No till which could easily be converted to and would save energy, moisture, and soil
  - b. Since surface and groundwater are becoming more and more of an issue, the planting of a more water conserving crop such as sorghum. I am in an area where we just have enough groundwater to support a farmstead with livestock. Consequently I am very concerned when I see the water levels dropping in the irrigated areas a few miles from me. How long will it be before my limited supply of water will dry up due to the irrigation? I feel that if a water conserving crop is grown on dry-land it will allow more water to filter into the aquifer than if a higher water use crop is planted. Also if water conserving crops are irrigated, the underground supply will not be depleted.
  - c. The planting of crops which after harvest are more conducive to wildlife habitat.

- d. Requiring crop rotations to better utilize the potential of the soil rather than a monoculture system.

Many people have voiced their concern about young farmers not being able to start up with the high cost of land and equipment and that the big farmers are taking the land and not leaving it for the beginning farmer. I have a situation where my son would love to come back to the farm and make it his career, but he sees the writing on the wall that there is not much money in production agriculture compared to other fields. He also sees that there is no way he can acquire enough land to make it worth while. There are some solutions to part of the problem. Nebraska has the NAP program where a retiring farmer can lease or sell his equipment and or land to a beginning farmer in return for some tax breaks in the State. I think there are a few flaws in the program but they could be easily worked out. Also Congressman Terry from Nebraska introduced H.R.2034, which is a beginning farmer bill to give tax breaks for someone helping a young farmer get started. These however would have to be taken up by another committee.

Again I would like to thank the Committee for the opportunity to give this testimony and would be happy to answer any questions you would have for me or discuss any of the issues I have covered. Feel free to contact me either by e-mail or phone.

Thank You,  
James Vorderstrasse

Committee on Agriculture  
U.S. House of Representatives  
Required Witness Disclosure Form

House Rules\* require nongovernmental witnesses to disclose the amount and source of federal grants received since October 1, 2004.

Name: James Vorderstrasse

Address- RR1 Box 50 5822 F rd Hebron, Ne 68370

Telephone: 402-365-4393

Organization you represent (if any): Farmer from south south-central Nebraska

1. Please list any federal grants or contracts (including subgrants and subcontracts you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: None

Amount:

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: None

Amount:

Please check here if this form is NOT applicable to you:

Signature: James Vorderstrasse. \_\_\_\_\_

Rule Xi, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statement of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or*  
*by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

Committee on Agriculture  
U.S. House of Representatives  
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: James Vorderstrasse
2. Business Address: RR1 Box 50  
5822 F rd  
Hebron, Ne 68370
3. Business Phone Number: 402-365-4393
4. Organization you represent: I am a farmer from south south-central Nebraska.

Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:

I grew up on the farm I am now operating and have been farming in south south-central Nebraska since I graduated from college in 1970. I am the third generation in my family on both sides to be farming this land

Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:

I have been farming since 1970. I am a director on the Nebraska Sorghum Association for the past 17 years and have been a director on National Sorghum Producers for the last 9 years, serving as President the last 2 years.

If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:

I am appearing today as a farmer and not as a representative of the Sorghum Association.

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.